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May 27, 2005

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-4275

Re: YEGUA RC SUA
YEGUA RD SUA
Kinder Field
Allen Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of KASH OIL AND GAS, INC. for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the establishment of rules and regulations and the creation of two drilling and production units for the exploration for and production of oil and gas from the Yegua 1 Zone, Reservoir C, and the Yegua 1 Zone, Reservoir D, in the Kinder Field, Allen Parish, Louisiana:

1. To create two drilling and production units for the exploration for and production of oil and gas in the Kinder Field, Allen Parish, Louisiana, to be designated as Y-1 RC SUA and Y-1 RD SUA.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed units with each tract sharing in unit production on a surface acre basis of participation.
3. To designate Kash Oil and Gas, Inc. as operator of the proposed units.
4. To designate a unit well for Y-1 RD SUA.
5. To provide that any future wells, replacement and/or alternate unit wells drilled to the Yegua 1 Zone, Reservoir C or Reservoir D, should be drilled in accordance with the spacing provisions of Statewide Order No. 29-E.
6. To authorize the Commissioner of Conservation to reclassify the reservoirs by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoirs change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
7. To consider such other matters as may be pertinent.

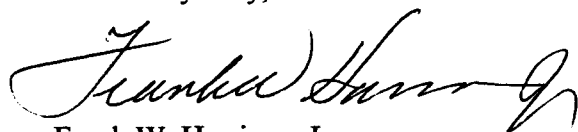
The Yegua 1 Zone in the Kinder Field , Allen Parish, Louisiana, was previously defined in Office of Conservation Order No.541-N, effective October 28, 2003. The Yegua 1 Zone in the Kinder Field is further defined as that oil and gas bearing zone encountered between the depths of 9,375 feet and 10,030 feet, electrical log measurements in the Noble Energy, Inc.- Labry Trust No. 1 well located in Section 23, Township 6 South, Range 5 West, Allen Parish, Louisiana.

Pertinent data, including well logs, may be obtained AT THE COST OF THE NOTICE TO REQUESTING PARTY from Frank W. Harrison, Jr., P. O. Box 51943, Lafayette, Louisiana, 70505, Telephone number 337/232-4031.

A conference to discuss the proposed application and any opposition thereto was held at 2:00 P.M. on Wednesday, May 25, 2005, at the Petroleum Club of Lafayette, 111 Heymann Blvd., Lafayette, Louisiana. Mr. Frank Harrison, representing Kash Oil and Gas, Inc., presented the basis for the 240 acre geographic units being proposed by the applicant for the Y-1 RC SUA and Y-1 RD SUA. Several questions were asked and answered. Mr. Harrison then asked if anyone had other unit plans which they wanted to present. There being no other unitization plans presented the meeting was adjourned.

Attached hereto and made a part hereof is a plat outlining the applicant's proposal and a list of names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished only to the Commissioner of Conservation and the District Manager of the Lafayette District of the Office of Conservation; however, the list of parties will be furnished by the undersigned to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties, and Represented Parties.

Yours very truly,



Frank W. Harrison, Jr.

FWH,Jr./hg
Attachments

cc: Mr. Richard Hudson
Office of Conservation
P. O. Box 51285
Lafayette, Louisiana 70505

cc: All Interested Owners
Represented Parties &
Interested Parties

